Testimony of Randi Weingarten, President, American Federation of Teachers, Before the House Committee on Ways and Means October 29, 2008

Chairman Rangel, Ranking Member McCrery, and other members of the House Ways and Means Committee, thank you for this opportunity to testify on the urgent need for Congress to pass an economic stimulus package that chooses to invest—not divest —in America's future at this important moment in our nation's history. My name is Randi Weingarten and I am president of the American Federation of Teachers (AFT). I am also president of the AFT's New York City affiliate, the United Federation of Teachers.

On behalf of the more than 1.4 million members of the AFT, I am here today to tell you that the number-one concern of AFT members—who include K-12 teachers and other school personnel, healthcare workers, state and local public employees and higher education faculty and staff—and their families is the health of the economy.

Some may think it odd to see the president of the AFT at a hearing on the economic stimulus. But the simple fact is that education and the economy are intertwined. Neither is strong when the other is weak. When the economy is weak, workers lose their jobs, their homes and their healthcare. The effect of these losses doesn't hit just the workers, it also affects their children, our students. And when the economy is weak and governments make spending cuts, all too often they make them in K-16 education. Unfortunately many states feeling the economic pinch are already beginning to make cuts in education.

- Virginia is making cuts to higher education;
- Florida is reducing K-12 per-pupil aid and slashing support for higher education;
- Maryland is cutting funding for school improvement programs;
- And just yesterday, Gov. Deval Patrick of Massachusetts announced that budget shortfalls will mean scaling back his education reform agenda.

Those cuts today will have a lasting impact on the quality of education our children receive and, consequently, on tomorrow's workforce. We cannot have a vibrant, strong economy without well-prepared students.

That's why continued investments, even in this difficult time, are so critical. Consider this finding from the National Institute for Early Education Research, which reports that for every dollar invested in preschool, the return is $7 based on the reduced costs of remedial education and justice system expenditures, and the increased earnings and taxable revenues, for participants.

So my message to you is simple: As Congress works to assemble a plan to stabilize and strengthen our economy, it must recognize the short- and long-term benefits of providing assistance to cash-strapped states so they can continue to provide important public services, such as quality public education and healthcare, and are not constrained at a time when these investments are needed most. In addition, the package also must address the other needs of middle- and lower-income families and workers who have been hit hardest by the struggling economy.

Difficult times demand bold action. The boldest action that you can take now is the simplest: Invest in the foundations of our country's strength—jobs, education and healthcare.

States and localities across America are dealing with record budget deficits. According to the Center on Budget and Policy Priorities, at least 39 states faced or are facing shortfalls in their budgets for this fiscal year. The problems are expected to continue into next year and beyond. One factor contributing to the state budget crisis is the high rate of home foreclosures and declining property values across the nation. In Ohio, which I will be visiting tomorrow, one in every 362 Cleveland homes and one in every 395 Cincinnati homes was in some stage of foreclosure last month. And in Detroit, which I also will visit tomorrow, one out of every 194 housing units was in the same situation. Each of these statistics represents multiple personal tragedies. And they foretell another crisis—the eroding base for funding public education in most of our communities. And it just gets worse. Higher unemployment rates are resulting in lower consumer spending and decreasing sales tax receipts. Taken together, all of this means lower revenues and cuts in crucial sectors such as education, healthcare and infrastructure, all of which are integral to improving the economic security and quality of life of our citizens. Even without cuts, state and local governments would be hard pressed to provide the same level of services in a time of fluctuating energy and fuel costs. For school districts, this has resulted in consolidated or eliminated bus routes, fewer supplies and instructional assistants, the loss of professional development for staff, and increased class sizes. “Enrichment” has become an unaffordable “extra” in many communities, as school systems cut back on field trips, extracurricular activities and athletics.

While the economic landscape is bleak, the worst possible outcome for our nation would be for governments at all levels to retreat from their commitments in these areas and backslide into a situation from which it could take decades to recover. The fiscal turmoil that has gripped our nation in recent months does not change the fact that investing in education and other public services is just as important today as it was yesterday—and arguably is far more important. In fact, these public services are essential to getting us out of this recession. We should be moving aggressively *toward* investing in strengthening our public services, our infrastructure, our schools and healthcare. Only by doing so will we be competitive in the international marketplace and able to remain a world leader

Today's fiscal crisis presents Congress with both challenges and opportunities.

Congress and the Bush administration already have worked together in passing two bipartisan initiatives to lessen the crisis, by enacting laws cutting taxes to stimulate the economy and approving $700 billion to stabilize the housing and financial markets.

But more work must be done. And it must be done now. It is my sincere hope that we will not wait for the new administration, and that the current administration will start now to work with Congress and the new president to develop a prudent, comprehensive countercyclical package to protect those who did not get relief in the first two bills. Most economists tell us that this economic crisis will last at least two years, and I believe the next Congress and the new president will have to pass additional legislation to address our continuing economic problems.

What follows are my recommendations to help states continue to invest in education and other public services while also helping those most vulnerable citizens in our nation.

- **Expand and Raise Unemployment Insurance Benefits.** This committee has previously attempted to pass legislation to expand unemployment insurance benefits. This should continue to remain a priority item in the stimulus package. Without new legislation, according to the National

Employment Law Project, approximately 800,000 jobless persons will exhaust their benefits. It is clear, given the accelerating rate of unemployment, that people will need both additional time to find new jobs and support while doing so. From an educational standpoint, family mobility and homelessness often increase with rising unemployment rates, and we know that this type of instability negatively affects the performance of school-age children in the classroom.

- **Offer Fiscal Relief to States.** This must be a top priority, given the growing number of states facing budget shortfalls. Absent federal assistance, states will be forced to cut services to balance their budgets, at a time when citizens need them most. I urge Congress to accomplish this by increasing the federal government's contribution to the state's Medicaid program to $35 billion and by increasing funds by $20 billion for the Social Service Block Grant (Title XX), which is used for social services programs administered by the states. These countercyclical programs not only will help ensure the availability of needed health and social services but also will help address the revenue shortfalls facing state and local governments by providing essential financial relief that will protect the provision of public services.

- **Federal Infrastructure Investment**. Federal assistance for the rebuilding of our crumbling infrastructure offers a dual benefit—improved roads, schools, bridges and water systems as well as more jobs for either unemployed or underemployed workers. Ready-to-go school construction and maintenance projects are an important part of this essential rebuilding process and are clearly needed. A preliminary report on “School Infrastructure Funding Needs” that was conducted for the AFT estimates that the need for school infrastructure funding stands at $286 billion. The National Center for Education Statistics estimates that the average age of the main instructional public school building is 40 years. In addition, the U.S. Government Accountability Office has estimated that 76 percent of all schools reported that they had deferred maintenance of their buildings and needed additional funding to bring them up to standard. The total deferred maintenance exceeded $100 billion. In addition, I have received numerous reports from our affiliates around the country detailing how state and local governments are unable to sell bonds or are delaying bond issuances because of the higher price of borrowing brought on by the credit crunch. Taken together, this means more children attend schools without adequate ventilation, acoustics and light, and more money is being wasted on inefficient heating and cooling systems. We are losing opportunities to create 21st-century learning environments. I would be remiss if I did not point out the important contribution that the House-passed stimulus package made as it included $3 billion in grants for school construction and renovation. This committee can add to that investment by adopting a portion of Chairman Rangel's America's Better Classroom Act, which provides federal interest payments on school construction bonds. During the New York City fiscal crisis in the 70s, construction was halted and maintenance was deferred to such an extent that it took the next 30 years to fix the problems created by this inactivity. And that doesn't even touch upon the educational losses that resulted.

I am confident that we will pull out of this fiscal downturn. But I hope that state and local governments will not have been forced to inadvertently worsen the situation by making cuts in education and healthcare that could prove harmful for years to come or—far worse, because we are talking about people's lives here—could be irreversible. Rather than containing the problem by investing in proven engines of our economy, such short-sighted cuts could turn a serious but containable economic downturn into a crisis of such magnitude it will harm generations to come.

Mr. Chairman, the stimulus package you and other committee chairs are preparing will probably be the first of several additional pieces of legislation required to address a recession that likely will be with us for at least the next few years. There is no doubt that this will be a trying period for our nation. I am hopeful it will be a time of bipartisan cooperation. After a national election, the historic pattern has been for the nation to come together. I hope this will be the case, and you can be sure that the American Federation of Teachers will do all within its power to help in this important process.

Thank you again for this opportunity to share the AFT's views on this important matter.